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AMVETS TESTIMONY

presented by

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National Legislative Director

before

The House Budget Committee

on

The Fiscal Year 2005 Budget for the
Department of Veterans Affairs

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A M V E T S

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Mr. Chairman, Ranking Member Spratt, and members of the Committee:

AMVETS is honored to join fellow veterans service organizations at this hearing on the VA's budget request for fiscal year 2005. We are pleased to provide you our best estimates on the resources necessary to carry out a responsible budget for the fiscal year 2005 programs of the Department of Veterans Affairs. AMVETS testifies before you today as a co-author of The Independent Budget.

This is the 18th year AMVETS has worked with the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars to produce a working document that sets out our spending recommendations on veterans' programs for the new fiscal year. Indeed, we are proud that over 30 veteran, military, and medical service organizations endorse these recommendations. In whole, these recommendations provide decision-makers with a rational, rigorous, and sound review of the budget required to support authorized programs for our nation's veterans.

In developing this document, we believe in certain guiding principles. Veterans must not be forced to wait for the benefits promised them. Veterans must be assured of access to high quality health care. Veterans must be guaranteed access to a full continuum of healthcare services, including long-term care. And, veterans must be assured burial in a state or national cemetery in every state.

It is our firm belief that the mission of the VA must continue to include support of our military in times of emergency and war. Just as this support of our military is essential to national security, the focus of the VA medical system must remain centered on specialized care. VA's mission to conduct medical and prosthetics research in areas of veterans' special needs is critical to the integrity of the veterans healthcare system and to the advancement of American medicine.

In addition, the budget must recognize that VA trains most of the nation's healthcare workforce. The VA healthcare system is responsible for great advances in medical science, and these advanced benefits all Americans. The Veterans Health Administration is the most cost effective application of federal healthcare dollars, providing benefits and services at 25 percent lower cost than other comparable medical services. In times of national emergency, VA medical services can function as an effective backup to the DoD and FEMA.

Noting the mission of the VA, it is important to understand the areas where VA funding must be increased. The VA budget must address the

pending wage increases for VA employees. It must address the continuing backlog in veterans waiting for health care and it must address, as well, VA's benefits casework backlog. There are severely disabled veterans and those needing home-based healthcare in those backlogs, and I think we can all agree that this situation should be addressed and corrected.

As we look to fiscal year 2005, we watch a live lesson about the challenges inherent to inadequate funding. Due to a lack of resources, VA took action on January 17, 2003, to ban healthcare access to 164,000 veterans who could have enrolled last year. This ban remains in force, despite substantial increases in healthcare funding over the past 2 years. It is remarkable that after blocking entry to these so-called "high income" veterans, VA issued a healthcare directive (VHA Directive 2003-003, January 17, 2003) telling workers to send banned veterans to Community Social Work for assistance.

It is hoped that recently passed provisions contained in the fiscal year 2004 appropriations bill, which aim to overcome VHA Directive 2003-003, will remedy this breach of faith. When an individual commits to the defense of the rest of us, undertakes training that is inherently more dangerous than the typical civilian occupation, and stands ready to go into harm's way so that others need not, this country's gratitude should not be demonstrated with a simple referral, however courteous and sincere, to the welfare line.

Looking to the new year, The Independent Budget recommends Congress provide \$29.8 billion to fund VA medical care for fiscal year 2005, an increase of nearly \$3.1 above fiscal year 2004. We ask Congress to recognize that the VA healthcare system is an excellent investment for America. It can only bring quality health care, however, if it receives adequate funding.

We also ask Congress to understand that there are other potential challenges regarding veterans health care especially in regard to a new generation of veterans returning from Iraq, Afghanistan and the war on terrorism. By last year's count, more than 80,000 veterans who returned from the war have sought VA health care. And, it is likely the demand will remain strong for the foreseeable future. To facilitate their care, it is important that Congress work with the administration to accelerate the development of a seamless, transferable lifetime medical record between the DoD and VA.

It is also important to clearly state that AMVETS along with its IB partners strongly support shifting VA healthcare funding from

discretionary funding to mandatory. Mandatory funding would give some certainty to healthcare services. VA facilities would not have to deal with the uncertainty of discretionary funding, which has proven inconsistent and inadequate. Mandatory funding would provide a comprehensive solution to the current funding problem. Once healthcare funding matched the actual average cost of care for veterans enrolled in the system, the VA can fulfill its mission.

The National Cemetery Administration:

Before I address budget recommendations for the National Cemetery Administration, I would like members of the Committee to know that AMVETS fully appreciates the strong leadership and continuing support demonstrated by members of the House Budget Committee. AMVETS is truly grateful to those who serve on this important committee. Through your work, you have distinguished yourselves as willing to lead the country in addressing issues important to veterans and their families.

Since its establishment, the National Cemetery Administration (NCA) has provided the highest standards of service to veterans and eligible family members in the system's 120 national cemeteries.

Currently, the National Cemetery Administration maintains more than 2.6 million gravesites on approximately 14,000 acres of cemetery land, while providing nearly 90,000 interments annually.

VA is scheduled to open new cemeteries in Atlanta, GA; Oklahoma City, OK; Pittsburgh, PA; Detroit, MI; Miami, FL; and Sacramento, CA. Also under legislation passed last year (P.L. 108-109), VA is directed to design and construct cemeteries at six new national locations in Philadelphia, Pennsylvania; Birmingham, Alabama; Jacksonville, Florida; Bakersfield, California; Greenville, South Carolina; and Sarasota County, Florida.

The strong effort to build new cemeteries recognizes the dramatic increases in the interment rate of veterans. NCA requires increases in funding if it is to carry out its statutory mandates. Without the firm commitment of Congress and its authorizing and appropriations committees, VA would likely fall short of burial space for millions of veterans and their eligible dependents.

The members of *The Independent Budget* urge Congress and the administration to significantly boost NCA resources for Fiscal Year 2005. It should be recognized that not only is the interment rate increasing and the construction of new facilities accelerating, but also there are repair

and upgrades needed. The Study on Improvements to Veterans Cemeteries, a comprehensive report submitted in 2002 by VA to Congress on conditions at each cemetery, identified nearly \$300 million in over 900 projects for gravesite renovation, repair, upgrade, and maintenance.

As any public facilities manager knows, failure to correct identified deficiencies in a timely fashion results in continued, often more rapid, deterioration of facilities and increasing costs related to necessary repair. The IBVSOs agree with this assessment and believe that Congress needs to carefully consider this report to address the condition of NCA cemeteries and ensure they remain respectful settings for deceased veterans and visitors. We recommend that Congress and VA work together to establish a timeline for funding these projects based on the severity of the problems.

Volume 3 of the Study describes veterans cemeteries as national shrines saying that one of the most important elements of veterans cemeteries is honoring the memory of America's brave men and women who served in the Armed Forces. "The commitment of the nation," the report says, "as expressed by law, is to create and maintain national shrines, transcending the provisions of benefits to the individual...even long after the visits of families and loved ones."

Indeed, Congress formally recognized veterans cemeteries as national shrines in 1973 stating, "All national and other veterans cemeteries...shall be considered national shrines as a tribute to our gallant dead." (P.L. 93-43) Moreover, many of the individual cemeteries within the system are steeped in history and the monuments, markers, grounds and related memorial tributes represent the very foundation of these United States. With this understanding, the grounds, including monuments and individual sites of interment, represent a national treasure that deserves to be protected and nurtured.

Unfortunately, despite NCA continued high standards of service and despite a true need to protect and nurture this national treasure, the system has and continues to be seriously challenged. The current and future needs of NCA require continued adequate funding to ensure that NCA remains a world-class, quality operation to honor veterans and recognize their contribution and service to the Nation.

The members of The Independent Budget recommend that Congress provide \$175 million in fiscal year 2005 for the operational requirements of NCA, the national Shrine initiative, and the backlog of repairs. We recommend your support for a budget consistent with NCA's growing

demands and in concert with the respect due every man and woman who wears the uniform of the United States Armed Forces. This is an increase of nearly \$30 million over current year funding.

Clearly, the aging veteran population has created great demands on NCA operations. Nearly 655,000 veterans deaths are estimated in 2005 with the death rate peaking at 690,000 in 2009; of these, it is expected that 109,000 will seek burial in a national cemetery. As veteran deaths accelerate, it is obvious the demand for veterans' burial benefits will increase.

The State Cemetery Grants Program:

For funding the State Cemetery Grants Program, the members of The Independent Budget recommend \$37 million for the new fiscal year. The intent of the State Cemetery Grants Program is to develop a true complement to, not a replacement for, our federal system of national cemeteries.

With enactment of the Veterans Programs Enhancement Act of 1998, the NCA has been able to strengthen its partnership with States and increase burial service to veterans; especially those living in less densely populated areas not currently served by a national cemetery.

During fiscal year 2004, the IBVSOs anticipate fast-track openings at new cemeteries under construction: Boise, Idaho (the last State in the United States without a veterans cemetery); Wakeeney, Kansas (300 miles east of Denver and west of Kansas City, serving rural areas in western Kansas); Winchendon, Massachusetts (serving the densely populated northern part of the State); and Suffolk, Virginia (serving 200,000 veterans in the Tidewater area).

To augment support for veterans who desire burial in state facilities, members of *The Independent Budget* support increasing the plot allowance to \$725 from the current level of \$300. The plot allowance now covers less than 6 percent of funeral costs. Increasing the burial benefit to \$725 would make the amount nearly proportional to the benefit paid in 1973. In addition, we firmly believe the plot allowance should be extended to all veterans who are eligible for burial in a national cemetery not solely those who served in wartime.

The Independent Budget veterans service organizations (IBVSOs) also request Congress review a series of burial benefits that have seriously eroded in value over the years. While these benefits were never intended

to cover the full costs of burial, they now pay for only a fraction of what they covered in 1973, when they were initiated.

The IBVSOs recommend an increase in the service-connected benefits from \$2,000 to \$4,000. Prior to action in the last Congress, increasing the amount \$2,000, the benefit had been untouched since 1988. The request would restore the allowance to its original proportion of burial expense.

The IBVSOs recommend increasing the nonservice-connected benefit from \$300 to \$1,225, bringing it back up to its original 22 percent coverage of funeral costs. This benefit was last adjusted in 1978, and today covers just 6 percent of burial expenses.

The IBVSOs also recommend that Congress enact legislation to index these burial benefits for inflation to avoid their future erosion.

Mr. Chairman, this concludes my statement. I thank you again for the privilege to present our views, and I would be pleased to answer any questions you might have.

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